

Department of Health and Human Services

**OFFICE OF
INSPECTOR GENERAL**

TRIBAL CHILD CARE



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Inspector General**

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EXECUTIVE SUMMARY

PURPOSE

To examine Tribal Child Care and Development Fund programs, focusing specifically on resource utilization and program operation.

BACKGROUND

Federal Child Care and Development Fund (CCDF) grants enable Tribes to provide child care subsidies to low-income Indian families so they can work, attend training or return to school. In fiscal year 1998, Tribes received over \$60 million in Federal CCDF grants, more than doubling previous Federal child care grant amounts. During discussions with the Administration for Children and Families (ACF), questions were raised about how Tribes use and account for these grants.

More than 17,000 Indian children currently receive child care services funded wholly, or in part, by CCDF Tribal grants. State CCDF programs also serve Indian children, as dual eligibility provisions within the law permit Indians to access the CCDF program through Tribes or the State. Tribes in 31 States receive CCDF grants directly from the Federal Government.

We visited 29 Tribal CCDF programs in Alaska, Arizona, California, New Mexico, Oklahoma, Washington and Wisconsin. More than 60 percent of the Tribal CCDF grantees are located in these seven States. Tribes in these States receive 80 percent of 1998 Tribal CCDF funding. The Tribes we visited account for one-third of the total 1998 CCDF funding to Tribes. We selected them based on geographic location, Tribal population, number of children served and CCDF grant amounts. We also considered whether Tribes ran their own program or were part of a consortium. Our findings are based on information obtained from the 29 Tribes we visited and other respondents.

FINDINGS

Tribal CCDF grants provide Indian children greater access to child care

Tribes design their programs to meet community needs, providing child care services through center-based programs, certificate programs or both. They often use more expansive eligibility criteria than States, allowing more working families and parents in school to use subsidies. Tribal programs also improve access by making child care more affordable.

Lack of Tribal and State coordination adversely impacts child care

Tribes and States lack knowledge about each others' programs. This limits access to child care services. Lack of coordination also impacts cost, wastes resources and increases the potential for fraud. Despite barriers, Tribes and States can collaborate successfully. Many Tribes use child-

care workgroups to improve coordination and share information with other Tribes and the State.

Impediments exist in the coordination of Head Start and child care programs

Many Tribes separately administer their Head Start and CCDF programs. Differing views about program functions or absence of leadership often hinder efforts at collaboration. When coordination exists, Tribes can improve their use of resources.

Child care plans, payment systems and reporting are flawed

Tribal child care plans may not reflect current program operations. Inadequate time sheets and poor documentation contribute to provider payment errors and may contribute to the reporting discrepancies we found. Tribes that complete the Administration for Children and Families Annual Report (ACF-700) state that they have a difficult time making their information fit the form's required categories. The ACF recognizes that Tribes have trouble completing the ACF-700 and is in the process of revising the form. Nevertheless, it is unclear to us how much of the reported information is used by ACF.

RECOMMENDATIONS

To improve access to child care, we recommend that ACF encourage Tribes and States to:

- Share information about their child care programs and create explicit policies and procedures for coordinating these programs.
- Develop reciprocal licensing agreements, develop shared automated systems and establish single points of enrollment for Tribal families.

We support ACF's decision to find ways to improve coordination between Head Start and CCDF. We recommend that ACF:

- Hold regional meetings that would enable Tribal Head Start and CCDF personnel to discuss common ground, differences and ways to overcome barriers to coordination.
- Compile and disseminate information about Tribal best practices and model Head Start/child care collaborative initiatives.

To address vulnerabilities we found in Tribal reporting and payments, we recommend that ACF:

- Compile, develop and disseminate model time sheets and accounting practices.
- Require Tribes reporting under Public Law 102-477 to certify that their CCDF grants were used for appropriate CCDF-related activities.

To make the most of resources provided by the technical assistance contractor and regional ACF staff, we recommend that ACF:

- Ensure that the technical assistance contractor works with ACF regional office staff.
- Encourage the technical assistance contractor to hold individual, on-site meetings with Tribal CCDF staff whenever possible.
- Establish a precedent file.

AGENCY COMMENTS

The ACF concurred with the findings and highlighted their ongoing efforts in the areas we discussed in this report. Based on ACF's comments, we made some changes and technical corrections to the report. The complete text of these comments can be found in Appendix A.

The ACF concurred with all of our recommendations. The agency has taken steps to encourage States and Tribes to work together, and indicates that it will continue to facilitate such cooperation. Through its bureaus, the ACF will continue to facilitate Tribal Child Care-Head Start collaborations. The ACF is also taking steps to address Tribal data collection issues. Central office staff, regional offices and the technical assistance contractor plan to work together to address Tribes' technical assistance needs.

We recognize and look forward to ACF's implementation of efforts to provide technical assistance to Tribes and to address the issues presented in the report.

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INTRODUCTION

PURPOSE

To examine Tribal Child Care and Development Fund programs, focusing specifically on resource utilization and program operation.

BACKGROUND

The Federal Government has provided child care funding to families over the last 60 years. Currently, the impetus for providing Federal support for child care stems from increased emphasis on transitioning welfare recipients to work and enabling low-income working families to remain in the workforce.

Obtaining affordable and safe child care is widely recognized as a major barrier that keeps families on welfare and out of the workforce. Parents are more likely to obtain work and remain in the workforce if child care is affordable, stable, conveniently located and of good quality. Child care helps parents reach and maintain economic self-sufficiency.

The newly established Child Care and Development Fund (CCDF), as authorized by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), assists low-income families and those transitioning off welfare to obtain child care so they can work or attend training/education.

The CCDF brings together four Federal child care subsidy programs and allows States and Tribes to design a comprehensive, integrated service delivery system to meet the needs of low-income working families. The Child Care and Development Block Grant Act (CCDBG), as amended by PRWORA, now permits Tribal grantees to directly administer child care funds related to the now repealed Title IV-A programs (At-Risk, Transitional and AFDC child care), in addition to operating CCDBG programs. The amended CCDBG Act also permits Tribal grantees to use funds for construction and renovation purposes.

The CCDF helps low-income families, families receiving temporary public assistance and those transitioning from public assistance obtain child care so they can work, attend training or return to school. The Administration for Children and Families (ACF) Child Care Bureau is responsible for oversight of the CCDF. Total funding authorized for the CCDF is \$22 billion over a 7 year period, of which 2 percent is earmarked for Tribal child care programs. In fiscal year (FY) 1998, Tribes received over \$60 million from the CCDF, more than doubling previous Federal grant amounts to Tribes for child care.

Child Care Funding for Tribes

Federally recognized Tribes can apply for a CCDF grant if they have at least 50 children under age 13. Tribes with fewer than 50 children may join with other Tribes to form a consortium. The

consortium can then apply for a CCDF grant. Unlike States, Tribes do not apply for or receive matching CCDF grants. They can apply for Mandatory and Discretionary Funds and must integrate the two programs and administer them through the same lead agency.

Grants from Discretionary Funds include a base amount of \$20,000 plus a per child amount (approximately \$19 per child in FY 1998) for each Tribe with a minimum of 50 children. Tribal consortia receive a base amount dependent on the number of children in each of the participating Tribes.¹ Grants from Tribal Mandatory Funds are calculated solely on a per child basis (approximately \$81 per child in FY 1998).

Tribal grantees must spend 63.75 percent of their total CCDF per child amount on direct child care services. The remaining 36.25 percent may be used to pay for child care services, administrative costs or activities to improve the availability and quality of child care. The base amount may be used for any purpose consistent with the objectives of the CCDF program.

Fiscal year 1998 Tribal grants range from less than \$22,000 to more than \$8.8 million. Currently, 243 grantees, including 27 Tribal consortia, receive CCDF grants to provide child care services to 525 Tribes. Tribes operate centers, certificate programs or both.

More than 17,000 Indian children currently receive child care services funded wholly, or in part, by CCDF Tribal grants. State CCDF programs also serve Indian children. Dual eligibility provisions within the law permit Indian families to access the CCDF program through Tribes or the State. Tribes in 31 States receive CCDF grants.

Indian children can access child care from their own Tribes, other Tribes or from a consortium. Tribal CCDF programs serve Indians living in self-defined service areas. A few Tribes only serve members living on the reservation, but most Tribal service areas include areas off reservations. Some Tribes will serve any Indian child. The eligibility of Indian families for a Tribal CCDF subsidy does not affect their eligibility for a child care subsidy under the State CCDF program. Furthermore, States cannot categorically refuse to provide child care service to Indian children.

Under the Indian Employment, Training and Related Services Demonstration Act of 1992 (Public Law 102-477), Tribes may elect to consolidate their CCDF funds with other employment and training funding. These Tribes report grant use information to the Bureau of Indian Affairs. In FY 1998, 15 of the 234 Tribal CCDF grantees ran child care programs as part of a consolidated funding plan approved under P.L. 102-477.

¹ For each participating Tribe, the consortium receives a sum equal to the fraction of \$20,000 proportional to the number of children as a fraction of 50 children. For example, a consortium consisting of four Tribes in which each Tribe had 25 children would receive a base amount of \$40,000 (\$10,000 for each of the four Tribes with 25 children).

METHODOLOGY

We visited 29 Tribal child care programs in Alaska, Arizona, California, Oklahoma, New Mexico, Washington and Wisconsin.² More than 60 percent of the Tribal CCDF grantees are located in these seven States. Tribes in these States receive 80 percent of 1998 Tribal CCDF funding. The Tribes we visited account for one-third of the total 1998 CCDF funding to Tribes. Sites were selected based on geographic location, Tribal population, number of children served and CCDF grant amounts. We also considered whether Tribes ran their own program or were part of a consortium, their approach to serving children and the purported relationship between the State government and the Tribe. In addition, we chose two sites that include CCDF funds in their consolidation of employment and training funds under Public Law 102-477.

Tribal child care administrators and other Tribal employees responsible for the CCDF program were interviewed. We also interviewed State child care representatives in each State where we interviewed Tribes. We also spoke with staff from four ACF regional offices and several child care and Tribal interest groups.

Tribes provided information about their CCDF programs and discussed their processes for enrolling children and providers. Of the 29 Tribes we visited, 9 only operate centers, 11 only use certificates and 9 offer both. All Tribes were asked to provide program expenditure information. Sixteen of the 20 grantees running certificate programs were also asked to provide canceled provider payment checks and copies of the underlying documents information used to derive the payments. We analyzed 28 checks and supporting documentation for accuracy of payment, adequacy of supporting documentation and potential processes vulnerabilities. We did not examine whether CCDF grants were appropriately spent by Tribes operating child care centers. We did not conduct a financial audit of the Tribal child care programs or perform a full-scale, in-depth review of Tribal programs or systems.

In addition to systems and processes, our interviews focused on coordination efforts between Tribal CCDF programs and other programs such as Head Start and the State CCDF programs. We also asked Tribal CCDF grantees about their experiences applying for grants and accounting for grant expenditures.

We conducted our review in accordance with the *Quality Standards for Inspections* issued by the President's Council on Integrity and Efficiency.

² We visited 24 Tribes and 5 consortia. The 5 consortia represent 10 Tribes and 22 villages.

FINDINGS

Tribal CCDF Grants Provide Indian Children Greater Access To Child Care

Federal CCDF grants made directly to Tribes help Indian families to overcome barriers in accessing child care. In many areas, geographic isolation and transportation difficulties restrict Indian families' access to State offices. Prejudice, fear, and lack of knowledge about available resources also keep Indian families from accessing child care through the State. Historic tensions between Tribes and States also impede Indian families' access to child care. Some Tribes may not want to work with States due to past disputes over child custody, fishing rights, timber rights and sovereignty issues. State and Tribal respondents reported that Indian families are often shuttled back and forth between Tribal and State child care offices as they attempt to access services.

Greater flexibility increases access to child care

Many Tribes reported that the CCDF program allows them to determine and meet the needs of their members. Locally designed programs allow Tribes to offer child care services which best fit their community needs. Tribal CCDF child care programs include center-based programs, certificate systems, and a combination of the two. Some certificates are valid only for Tribal providers or certain types of care, while other certificate systems allow parents to choose any available provider in the larger community. A few Tribes reported that they will subcontract for care in any State licensed center.

Tribes vary in their use of resources to serve children. The number of children Tribes can serve with their CCDF allocation varies significantly depending on the type of system they choose to administer. Some administer certificate programs that maximize the number of children served by paying low rates to providers. Others spend all of their resources on a center-based program where families can only use Tribal CCDF funds for center enrollment. For example, one Tribe reported that they spent \$237,000 and were able to serve 125 children by operating a certificate program. In contrast, another grantee with a \$224,000 CCDF allocation could only serve 32 kids in their center-based program.

Allowing families to use certificates can improve access to services if they exist in the community. However, respondents from Tribes, States and ACF regional offices reported a lack of centers and non-relative providers in many Tribal areas. Twelve of 29 Tribes reported that they are using CCDF construction money to build child care centers to improve Indian families' access to center-based care in the future. Some Tribes have allocated Tribal funds to supplement CCDF funds set aside for construction and renovation. Tribes setting aside some portion of their grant for construction are required to maintain their service level from the previous year. Some Tribes want to concentrate their funding on construction without maintaining their current service level. They feel this would increase access to formal child care settings and improve the overall quality of care.

Some Tribes make a concerted effort to maximize the number of children served by referring families to the State's CCDF program. In this way, grantees can use their CCDF allocation to provide child care assistance to families determined ineligible for the State CCDF. Tribes also use their CCDF grant to fund programs such as odd hour, infant or after-school care or other services that may not be available through State CCDF.³ However, sovereignty may play a role in Indian families' accessing child care. Some Tribes felt it was their exclusive role to provide child care subsidies. In one State, where most Tribes refer families to the State for subsidies, other Tribes do not because they want to be able to serve their own families and do not want them to rely on State funds. One Tribal program did not make referrals to the State even though their center-based program had a waiting list and there were no additional funds to serve children.

Eligibility criteria are often more expansive than State criteria

State CCDF eligibility criteria are often more restrictive than Tribal CCDF criteria. While States serve children in families earning up to 85 percent of the State median income, Tribes have the option basing eligibility on 85 percent of either the State or Tribal median income. Unlike States, many Tribal programs encourage parents' attainment of a post-secondary education as a means of becoming self-sufficient. Most State CCDF programs require that parents work at least 20 hours per week to be eligible for child care subsidies. Under State programs, parents who work and attend school may only be eligible to receive child care services during their working hours. At least five of the Tribes we visited allow full-time students to access CCDF subsidized child care or will pay for full-time child care for students working part-time.

Tribal programs often have policies that improve access to continuous care for seasonal workers or families receiving a Tribal dividend. In some State programs, families receiving lump sum payments may be ineligible for child care in the months when they receive the bulk of their income. Some Tribal programs recognize that these families need affordable continuous care even in months when they have higher than average income. Flexibility to annualize income or count income on a month to month basis allows Tribal programs to meet the needs of their members who must stretch their resources over the entire year.

Tribal child care may be more affordable

To improve access, Tribes attempt to make child care affordable. Experts recognize that affordable rates are critical to ensuring access to child care. Nationally, Indians have the highest poverty rate of any census group. Tribes report that State copayments are too high for many Indian families. The ability of Tribes to set their own rates improves access to child care for Tribal members. More than 70 percent of the Tribes we visited had copayment rates below the State copayment level. Furthermore, Tribes often share the cost of child care with States by using

³ Indian families are eligible for child care subsidies under both their State's and Tribe's CCDF programs. However, Tribes may set their own eligibility criteria, and often set criteria that are more expansive than the State's rules in order to cover their families' needs. Families who may be ineligible for the State program due to income level or school attendance rather than work participation may therefore still be eligible for the Tribe program.

their Tribal CCDF funds to cover all or part of the State copayment. They may also calculate family income differently than the States. Some Tribes deduct a flat amount from a parent's gross income before determining their copayment.

Tribal programs are more culturally sensitive

Most Tribes report that many families prefer to have relatives and neighbors care for their children. Indian families that prefer to use relatives for child care are often unable to obtain State child care subsidies. State policies often require that informal child care providers be regulated by the State to receive State funds. Many Indian families feel uncomfortable with State regulation and most informal Tribal providers do not want to be monitored or regulated by the State. Rather than submitting to these requirements, families often choose to pay for relative providers with personal or Tribal CCDF subsidies. Tribal certificate programs may enable families to use the type of child care provider they prefer.

Lack Of Tribal And State Coordination Adversely Impacts Child Care

Coordination between State and Tribal CCDF programs appears to improve Indian families' access to child care, increase affordability and expand service options. Lack of coordination exacerbates the difficulties Tribal families have accessing child care. Poor collaborative efforts further exacerbate problems presented by geographic barriers, lack of eligible providers and mutual distrust between State and Tribal governments. Despite barriers, many Tribes and States collaborate successfully.

Lack of information sharing impedes access

Lack of knowledge about each other's CCDF programs impedes service for Indian families. We found some Indian families and providers have been misinformed about the CCDF program from both Tribal and State employees. For example, one State field office erroneously told Tribal providers that they need to be licensed in order to access the State child care funds.

When States and Tribes are not well informed about each other's CCDF programs, Indian families are often referred back and forth between State offices, Tribal offices and, in some cases, consortia offices. This is particularly problematic when a Tribal program is set up to subsidize the copayment for Indian children enrolled in the State program.

Tribal and State administrators' lack of knowledge about one another's program requirements may stem from lack of communication, staff turnover or inexperience. When Tribe and State administrators do not have an established pattern of communication, information sharing may be difficult. Staff turnovers in Tribal programs may make it difficult to maintain relationships between programs. While somewhat unusual, one Tribal CCDF administrator we interviewed did not know that the State ran a CCDF program. A Tribal administrator did not know whether Tribal providers could access the State Child and Adult Care Food program.

The absence of coordination negatively affects Indian families' ability to access both State and Tribal CCDF programs. In some areas, historic tensions have made both parties wary of working with one another. Tribes mentioned that some families are nervous about accessing State subsidies. Previous policies that allowed State child welfare workers to remove Indian children from their parents keep some families from approaching the State for social services.

State approaches toward coordinating with Tribal CCDF programs need to consider the diversity of Tribes. Even if a State has a standard plan for working with Tribes, differences in Tribal size, location, level of infrastructure and governmental structure can impede efforts to work together. Geographically isolated Tribes face additional barriers to coordination with the State. Long distances between reservations and State offices further complicates collaboration in all site visit States.

Working together, many Tribes and States have taken action to improve Indian families' access to child care. Efforts to coordinate their CCDF programs include informing their employees about each other's eligibility standards and services offered. They share information on copayment rates, eligibility, licensing requirements, forms, policies and procedures at regularly scheduled conferences and meetings. They fax information to each other and share program newsletters.

Reacting to problems Indian families have accessing child care, several States remind their intake workers about Indian children's dual eligibility. This minimizes the likelihood that the State would send Indian families back to their Tribe for services without first checking their State eligibility. One State has hired a private agency to provide technical assistance to Tribes on how to access the State child care program. Another State uses CCDF quality-improvement money to fund an intertribal council's child care coordination efforts. Several other States employ Tribal liaisons whose responsibility it is to work with Tribes to coordinate State and Tribal CCDF programs.

Lack of coordination wastes resources

Reciprocal licensing agreements benefit both Tribes and States. They enable families to pay Tribal child care providers with State CCDF subsidies. Five States have agreements with Tribes that allow Tribally-certified providers to receive State CCDF. Other States have reciprocal agreements with Tribes that allow both parties to act as agents for one another in the licensing and certification of child care providers. This avoids duplication of effort and the cost incurred when both parties inspect the same location.

Allowing Tribes to license or certify providers for the State program may enable Indian families in rural areas to access State child care subsidies. States may lack staff, money and other resources to conduct inspections in rural areas. Allowing Tribal licensure or certification to substitute for State licensure and inspection allows rural Indian families to use State CCDF

subsidies. Reciprocal licensing agreements may also pave the way for rural Tribal providers to access their State's Child and Adult Care Food Program.⁴

Tribal and State collaborative efforts to establish a single point of entry to State and Tribal CCDF programs appear to improve access for Indian families. A single point of entry allows Tribes and States to maximize their resources and reduce administrative overhead. One State we visited permits Tribes to act as their agent for a number of welfare and employment programs, thus improving access for Indian families and satisfying the preference of some Indians to interact with Tribal agencies. Tribal points of entry also allow Tribes to identify and potentially serve families ineligible for the State program.

Placing State employees on the reservation or having State employees regularly visit the reservation also improves Indian families access to child care and other programs. In two States, State human services employees visit Tribes regularly. They help Indian families learn about State programs and assist Tribal families in completing applications for the State CCDF subsidies and other State programs. In some areas the State subcontracts with Tribes and consortia for these services.

Lack of coordination opens up the potential for duplicate payments

Most States and Tribes report that they have no way of determining whether Indian families receive child care subsidies from both Tribal and State programs. In every State the potential for duplicate payments exists. Very few of the 29 grantees we visited had established a method for sharing information on their CCDF clients with the State. Both State and Tribal respondents were more concerned about ensuring access to child care services than the potential for illegally obtaining duplicate payments from the Tribal and State CCDF programs.

Sharing information reduces the risk of duplicate payments. Currently, Tribes and States do very little to reduce the risk of duplicate payments. Periodic exchange of information about families entitled to State and Tribal child care subsidies helps ensure that providers do not receive duplicate payments for child care services. One Tribe sends all families to the State first, specifically to avoid duplicate payments. They require that families get written approval or denial from the State program, and then follow up by telephone to verify cases with the State office. In another State, the day care center director meets regularly with State employees to discuss the families they both serve. The State can also check a list of Indian families using Tribal CCDF against their own records.

Tribal workgroups improve coordination

Tribal child care workgroups exist in all seven States we visited. They facilitate cooperation and the exchange of information among Tribes and between Tribes and the State. Some workgroups are formal with well-defined purposes, responsibilities and policies. In some States, workgroups

⁴ For more information about the U. S. Department of Agriculture's Child and Adult Care Food Program, see Appendix A.

make recommendations to their State legislature on issues affecting Indians' use of child care. The groups act as forums for the Tribes to provide input on legislation and other child care issues.

Tribal workgroups give participating grantees the opportunity to discuss child-care problems and exchange program development ideas. They also function as a mechanism by which Tribes advocate for quality child care for Indian children in the State. They distribute information to Tribes, promote the provision of coordinated services and facilitate networking with Tribal and non-Tribal child care programs. Respondents report that workgroups heighten awareness about Tribal and State programs and improve the relationship between the State and Tribal child care agencies. Collaboration has led to one State adopting Tribal processes for ensuring that families pay their copayments and several Tribal health and safety practices.

Impediments Exist In The Coordination Of Head Start And Child Care Programs

Head Start and CCDF are both low-income child care programs administered by ACF. Many preschool-aged children enrolled in CCDF programs are also eligible for Head Start. Tribes often run both programs, and some preschool-age children participate in both programs. Coordinated programs improve resource utilization and help create a cohesive program for providing care for children.

Despite an overlap in eligible service populations, coordinating the programs may be difficult. The ACF manages the Tribal CCDF program at the regional office level, while Tribal Head Start is administered through ACF's headquarters in Washington, D.C. Tribes and ACF often see the two programs as performing different functions. Tribes frequently run Head Start from their education department and CCDF from a social services department.

Tribal CCDF programs provide child care subsidies for low income families engaged in work, training or education. Head Start programs provide "developmental services" for low-income, preschool children and social services for their families. Head Start services for children include education, socio-emotional development, physical and mental health care, and nutrition. Unlike CCDF, Head Start has specific rules regarding program content and stringent requirements for staff education. Head Start traditionally runs a half-day program, while CCDF pays for needed hours of care. Head Start and CCDF program administrators frequently disagree on the role each program plays in child care and child development.

Lack of leadership and conflicting views impede coordination efforts

Several Tribal CCDF directors indicated that the support of their Tribal councils for child care was key to running a successful program. One administrator operating a Head Start wrap-around program said that "Leadership is the key to collaboration." In a Tribe that recently improved collaboration between the two programs, the Chief made it clear that the important thing is serving Indian children without worrying about whether they are Head Start or child care kids. This Tribe's social services department follows this philosophy to enhance overall services to

children.

Tribal ability to coordinate programs may improve with a unitary vision about serving children. One administrator stressed that CCDF and Head Start staff must be “on the same page, their hearts in the same place.” To facilitate a unitary vision about serving children, Tribes sometime hire a single person to be the CCDF administrator and Head Start director. Almost all Tribal CCDF staff said they collaborate or would like to collaborate with Head Start to provide the best possible services to children.

Tribal CCDF administrators report that conflicting views of CCDF and Head Start hinders collaboration. Despite the benefits, Tribes often face difficulties coordinating these programs. Head Start administrators may see their programs as “child development” and CCDF programs as “baby-sitting.” While a Tribe can shape its CCDF program to meet a variety of community needs, Head Start is structured to meet national standards. This makes Head Start inflexible, according to some CCDF directors. Head Start’s concern that coordination with child care will reduce overall quality of care hinders some Tribes’ attempts at coordination.

Individual Tribes often operate Head Start from their education department while CCDF is under the social services department. Administering the two programs from different departments suggests that Tribes view them as serving different functions. Separate administration may exacerbate turf issues. Program administrators may fear losing staff or functions if the two programs share resources when they work together. Consequently, both programs are often hesitant to share resources.

Lack of coordination wastes resources

Sharing a center may maximize its use by providing additional services and expanded care. Seventeen of the 29 Tribes we visited ran both CCDF and Head Start programs. Several operate combined child care-Head Start centers. Co-located programs can share resources, including administration, support staff and other resources. Combined resources may also augment training opportunities for both providers and parents. Full day care allows families to work full time, which is harder to do in traditional, part day Head Start.

Coordination between Head Start and CCDF helps programs use their funds more efficiently. One Tribe used a CCDF grant to construct a combined center. Head Start will pay for all operating costs until they have paid an amount equal to the CCDF outlay. After that, the two programs will share center operating costs equally.

Head Start and CCDF programs that do not share space can still collaborate to serve children. One Tribe with a smaller CCDF grant decided to maximize its resources by putting its money into a center. The child care center serves more than 60 children during a day by working with Head Start and the State’s early education program. Thirty children spend the morning at the child care center before moving to the Head Start center in the afternoon. They switch with the morning Head Start children, who move to the child care center in the afternoon. Half day programs allow the children of working parents to attend Head Start, and increase the number of children a

child care center can serve during a day.

Child Care Plans, Payment Systems And Reporting Are Often Flawed

To obtain a CCDF grant, Tribes must develop a child care plan and submit a grant application to their regional ACF office. Tribes then update and submit child care plans to ACF every other year. Grant applications must be submitted annually. Each grant is tracked using a unique grant number. Tribes have 2 years to obligate grant funds and 3 years to spend them.

Child care plans may not accurately reflect program operation

Concern exists that some Tribal child care plans may bear little resemblance to the program Tribes operate. Some Tribes said that they have submitted essentially the same plan each year since they began receiving child care funds. Several told us that a Tribal grant writer developed their CCDF plan and grant application. In some cases, this occurred without any input from staff involved in running the child care program. All ACF regional office respondents reported that the plans submitted by Tribes are essentially the same year after year. They felt that some plans may not accurately reflect the child care programs operated by Tribal grantees.

Methods used to pay providers may generate inaccurate payments

We found potential vulnerabilities in the systems Tribes use to pay child care providers. Reconstructing how they derived provider payment amounts was difficult or not possible. In some Tribes, linkages between provider payment checks and the specific children for whom payments were made were not readily apparent. Tribes can usually reconstruct how provider payments were derived using information in their provider or family enrollment files. However, there were a few cases where staff knowledge of families and providers was needed to locate all of the information. Reliance on information contained in multiple files increases the risk of payment error and makes it difficult for an outside party to verify the accuracy of payments. When staff turnovers occur, subsequent staff and administrators may not be able to reconstruct how their predecessors derived payments to some child care providers.

Many payment errors appear related to deficiencies in time sheets. Time sheets used to calculate payments to providers often had missing information that appeared to affect payment accuracy. Most Tribes manually calculate payments to providers. Most of these calculations are done on the time sheets submitted by the child care provider. Unfortunately, many time sheets did not contain information about the child's age, authorized hours of care, rate of payment and copayment information. The absence of this information may contribute to mathematical errors in payment calculations.

We found model time sheets that contain sufficient information to determine payment. They not only provide space to record hours of care, but also show the hours of authorized care, payment rate and parent copayment amounts. These model practices reduce the risk of payment error and provide a better audit trail. They do not rely on staff memory or information contained in multiple

locations. They simplified Tribal checks and balances by providing all information necessary to figure out payment.

Good accounting practices used by Tribes ensure that providers, families and third parties clearly understand how provider payments were derived. Some Tribes use letters and others use check vouchers to establish easy to follow audit trails. These letters/vouchers identify the children served by name and age, provide information about the number of hours the provider billed per child and the provider's charges. They also provide information about authorized hours, Tribal payment and parent copayment. They also included explanations for any adjustments affecting payment.

Current reports may not be reliable or useful

Tribes that receive CCDF grants are required to submit an Administration for Children and Families Annual Report (ACF-700) each year. The ACF-700 provides program and financial information about a Tribe's child care program. Tribes are also required to submit an annual Standard Form 269 (SF-269). The SF-269 provides yearly expenditure information for each CCDF grant a Tribe received.

Child care program statistics reported by Tribes on the ACF-700 may not provide reliable information. Nearly all Tribes indicated that they had some problem completing at least some portion of the ACF-700. Some grantees told us that some information is an estimate or best guess. For example, the ACF-700 asks for numbers of families and children receiving services. Tribes have trouble completing this item because families and children are added and dropped from the program throughout the year. Uncertainty exists as to what numbers are appropriate. Tribes that do not pay child care providers on an hourly rate report that they have a difficult time determining the "average number of hours of child care . . . provided per child, per week." Deriving the average hourly rate of pay may be even more difficult for grantees that use all of their grant money to support the operations of their child care center. Likewise, Tribes that pay daily, half day, full time and part time rates do not always have information on the actual number of hours of child care provided.

Some program instructions are unclear. Program instructions do not sufficiently clarify at what point in time Tribes should determine a child's age or a family's annual income. Some Tribes also find instructions on how to determine the number of similar size families at or below the poverty thresholds confusing. Tribes complain that program instructions on how to complete the ACF-700 change too frequently. These changes may not always filter down to the people within the Tribe who will need to implement them. Problems are exacerbated when Tribes get conflicting answers to the same question from several sources.

To simplify collection of child care reporting data, a few Tribes have developed and financed their own management information systems. Many Tribes, including those with automated systems, describe completion of the ACF-700 as a difficult and time-consuming task that requires at least some manual review of their program data and files. Most Tribes rely on manual systems to

collect some or all of the ACF-700 information and data. The task of putting together program and financial information is often shared by different people and departments; consequently, information about program expenditures on the ACF-700 may differ from information reported on the SF-269.

For smaller Tribal grantees collecting information for the ACF-700 is particularly onerous. Tribes claim CCDF reporting requirements require more time and effort on their part than many larger grants they receive from other government programs. In fact, the paperwork involved in obtaining Tribal funds and accounting for them was derived from processes developed for States. In addition to the burdensome process for collecting required report data, respondents question the reliability of data that is not uniformly derived and reported. For example, to arrive at "... the average number of hours of care per child per week," Tribes can average actual hours over a 52 week period, average actual hours in representative weeks or weight an average of actual hours in representative weeks. Instructions caution Tribes not to use "the annualized average number of hours of child care service per week."

Problems completing the ACF-700 and the appearance that the information is not used for constructive program improvement may account for some Tribal reluctance to comply with reporting requirements. Of the 27 Tribes in our sample required to file an ACF-700, we were only able to locate reports for 23 Tribes. Four Tribes have not yet filed this required report for 1997. The ACF recognizes the low compliance rate with Tribal ACF-700 and has taken steps to improve compliance. The ACF is also in the process of revising the ACF-700 to improve data reliability. Nevertheless, it is unclear to us how much of the reported information is actually used by ACF.

Annual reporting does not ensure that Tribes operate the child care programs described in their plans. Tribes often do not know what information ACF is trying to obtain from the reports they file, or how that information will be used to improve their programs. Moreover, the current reporting forms do not provide sufficient information about the child care programs Tribes run. While the current reporting does provide some fiscal accountability, it appears to provide little information that would help ACF improve the programs Tribes operate.

Some Tribes are not required to file ACF-700s. These Tribes provide information about their child care program under an alternative reporting mechanism provided by Public Law 102-477. The Tribes in our sample using this method like the alternative process better. The information they are required to provide is less extensive and easier to retrieve from Tribal records than the information required on the ACF-700.

The CCDF child care program may be vulnerable when Tribes report expenditures under Public Law 102-477. This alternative to the ACF-700 does not ensure that Tribal CCDF grants are used in accordance with the requirements of the law. We found no evidence to suggest that Tribes are not using CCDF grants to operate child care programs as intended by the Congress. However, the risk of misuse of child care funds is greater when Tribes report under Public Law 102-477 because Tribes can combine their Federal grant funds. The alternate reporting provides little

assurance that Tribes understand CCDF program requirements and are abiding by them.

Technical assistance with child care plans, payment systems and reporting is difficult to obtain

The regional office staff play many roles in the Tribal CCDF program. They have primary responsibility for overseeing Tribal use of Federal CCDF grant money. They also provide technical assistance and policy guidance to a large and diverse group of Tribes. The ACF regional office staff frequently receive calls from the Tribes regarding the CCDF program, payment systems and financial reporting forms. Regional office staff have developed strong working relationships with Tribal program administrators. All of the Tribes we spoke with reported that ACF regional staff had consistently helped them solve problems as they arose.

Tribes want one-on-one assistance and report they would benefit from regional office visits. Problems posed by Tribal grantees are often complex and not easily resolved over the telephone. Tribes believe that onsite visits would help ACF better understand the systems, processes and infra-structure Tribes use to operate their CCDF programs. When Tribes need assistance, they turn to the regional offices for guidance. Tribes also expressed concern that in recent years they have not received the individual attention ACF staff used to provide during their onsite visits.

RECOMMENDATIONS

Tribal and State Coordination

To improve Indian Families' access to child care, we recommend that ACF:

- actively encourage and facilitate the development of Tribe-State reciprocal licensing agreements.

Reciprocal licensing agreements increase the number of licensed child care providers without increasing costs or duplicating State or Tribal efforts. Tribal families would have improved access to State child care subsidies. Tribal CCDF programs could shift resources to families not eligible for the State's program or to meet specific Tribal needs such as odd hour care. Reciprocal licensing agreements would enable Tribes to license and inspect Tribal child care providers. This would maintain Tribal child care provider autonomy from State oversight while enabling Tribal families and providers to access the State program; thus, increasing the number of State licensed child care providers available to Indian families. A State's recognition of Tribally licensed child care providers will remove a major obstacle to provider participation in the Department of Agriculture's Child and Adult Care Food Program.

To improve Indian Families' access to child care, increase affordability and expand service options, we further recommend that ACF encourage States and Tribes to:

- Share information about their child care programs' eligibility criteria, provider qualifications and co-payments.
- Work together to create explicit policies and procedures for coordinating their child care programs. These procedures should address information sharing and referral procedures.
- Participate in Tribal/State child-care workgroups.
- Agree to outstation State child care staff on Tribal lands.

Furthermore, we recommend that ACF encourage Tribes to refer their families to the State when appropriate. This would enable Tribes to serve families ineligible for State programs or meet community needs such as odd hour care.

To reduce the risk of duplicate payments, we recommend that ACF encourage Tribes and States to:

- Develop shared automated systems or regularly exchange information on families using CCDF subsidies.
- Establish single points of enrollment for Tribal families

Child Care and Head Start

The ACF has an initiative designed to look at Head Start and CCDF coordination. We support the efforts of this workgroup and recommend that ACF:

- Hold regional meetings that would enable Tribal Head Start and CCDF personnel to discuss common ground, differences and ways to overcome barriers to coordination.
- Compile and disseminate information about Tribal best practices and model Head Start and child care collaborative initiatives.

Tribal Payment and Reporting Systems

The ACF is also in the process of modifying the ACF-700 and SF-269 reporting forms to improve the reliability of data. To improve accountability, we recommend that ACF:

- Examine the use of the data elements on the new ACF-700 to determine why the information is being collected, who will use the information and for what purpose.
- Compile, develop and disseminate model time sheets and accounting practices.
- Require Tribes reporting under Public Law 102-477 to certify that their CCDF grants were used for appropriate CCDF-related activities.
- Set aside funds for Tribal management information systems. These systems could be used to enroll children, to generate payments to providers and to produce statistics for ACF and Tribes.

Technical Assistance

Regional Child Care Bureau office staff are responsible for overseeing Tribal CCDF grants. They provide technical assistance and guidance to Tribes on how to prepare their child care plans. They provide information to Tribes on how to run their programs and help complete required reporting forms. Regional staff communicate regularly with Tribes and have established relationships with them. Their role in assisting Tribes makes them best suited to identify individual Tribal needs and to develop solutions for those needs. The ACF has hired a technical assistance contractor to provide information to Tribes. However, regional offices should not be left out of the process. To improve the quality of the assistance Tribes receive, we recommend that ACF:

- Ensure that the technical assistance contractor is in close communication with ACF's regional office staff. This will help provide continuity of service for Tribes requiring technical assistance. It is particularly important that the contractor and regional ACF staff are providing consistent responses to Tribes' questions. Frequent communication between the two groups will facilitate this consistency.

- Encourage the technical assistance contractor to hold individual on site meetings with Tribal CCDF staff whenever possible. Tribal queries are often complex and require extended discussion of individual programs. These discussions are best undertaken through in-person meetings. Whenever appropriate, the contractor should include regional office staff in the process.
- Establish precedent files containing questions Tribes have asked and the responses ACF and the technical assistance contractor have provided.

AGENCY COMMENTS

We would like to thank ACF for commenting on the draft of this report. The full text of ACF's comments can be found in Appendix B.

The ACF concurred with all of our recommendations. The agency has taken steps to encourage States and Tribes to work together, and indicates that it will continue to facilitate such cooperation. Through its bureaus, the ACF will continue to facilitate Tribal Child Care-Head Start collaborations. The ACF is also taking steps to address Tribal data collection issues. Central office staff, regional offices and the technical assistance contractor plan to work together to address Tribes' technical assistance needs.

Based on ACF's comments, we have made changes and corrections to the report. We corrected references to applicable laws and made other corrections ACF suggested. We would like to point out that our study was not intended to investigate "quality of care" issues.

APPENDIX A

USDA Child and Adult Care Food Program

The Child and Adult Care Food Program funds meals that child and adult day care facilities provide to their clients. The U.S. Department of Agriculture (USDA), through the States, reimburses participating licensed child care operators for meal costs. Twenty of the Tribal Child Care and Development Fund (CCDF) grantees we visited indicated that some Tribal providers participate in this program.

Child care centers participating in the food program may do so as independent centers or through a sponsoring organization. However, family home care providers must have a sponsoring organization to participate. All child care providers must be licensed by the State to participate in the program. Providers must serve meals that meet Federal nutrition guidelines and must agree to monitoring by the State or their sponsoring organization.

Tribal CCDF programs may become sponsors for child care providers wishing to join the food program. Several Tribes in our sample act as sponsors and administrative agents for their child care providers. To become an administrative agent for family home providers, a Tribe or consortium applies to the State to become a sponsoring organization for the food program. Alternatively, a Tribe or consortium that wishes to administer all of the USDA's Food and Nutrition Service programs may apply to the Department of Agriculture to become a State agency.

Some Indian child care providers are uncomfortable with State monitoring. A Tribe or consortium acting as the sponsoring organization or a State agency may be the most acceptable option for these providers.

The food program provides additional revenue to Tribal child care providers and to Tribes. The program would reimburse Tribal providers for food expenses they already incur. Consequently, start up costs for providers entering the food program are minimal. The added income the food program provides may be an incentive for some child care providers to join the CCDF program. This may be particularly helpful in recruiting providers in under served areas.

Tribes and consortia running CCDF programs can also benefit from the USDA food program. Organizations that sponsor family home providers receive per-provider reimbursement to help defray administrative costs. This added income can help Tribal CCDF programs pay for staff needed to monitor providers participating in child care and food programs.

Indian providers' entry into the food program is facilitated when Tribal and State CCDF programs establish reciprocal licensing agreements. Such agreements allow child care monitors working for Tribal programs to license or regulate CCDF providers for the State. Reciprocal agreements would enable more Tribal child care providers to participate in the USDA food program.

A P P E N D I X B

Administration for Children and Families Comments on the Draft Report

**COMMENTS OF THE ADMINISTRATION FOR CHILDREN AND FAMILIES ON
THE OFFICE OF INSPECTOR GENERAL'S DRAFT REPORT "TRIBAL CHILD
CARE," OEI-05-98-00010)**

General Comments

The Administration for Children and Families (ACF) is pleased to have this opportunity to provide official comments on the draft OIG report "Tribal Child Care" (OEI-05-98-00010) .

In recognition of the specialized needs of our tribal Child Care and Development Fund (CCDF) grantees, in January 1998, ACF's Child Care Bureau awarded a contract to establish a Tribal Child Care Technical Assistance Center (TriTAC). This contract is one of seven separate projects that comprise the Child Care Bureau's new Child Care Technical Assistance Network (CCTAN). Through this network, the Child Care Bureau is providing increased technical assistance to our child care partners, which includes States, Territories, Tribes and local communities. The seven projects are providing assistance in the following areas: tribal child care; public-private partnerships; healthy child care (including tribal health and safety standards); inclusion for children with disabilities; state automated reporting systems; logistical support for Regional Office conferences; and a clearinghouse for child care information.

In early 1998, one of the partners in the CCTAN performed on-site visits at 29 tribal child care grantees as a way of assessing the technical assistance needs of tribal grantees. The current and planned activities under the tribal contract address many of the recommendations which have been presented in the draft OIG report, as well as the on-site visit report findings. One of the major tasks under this new tribal contract is to build a cadre of consultants who will be available to assist tribal CCDF grantees through cluster trainings, ACF regional meetings, and in some cases, targeted on-site technical assistance. Through an intensive week-long "Train-the-Trainer" meeting in October 1998, over twenty consultants will receive training on the CCDF program. All of the topic areas in the Recommendations section of the draft OIG report will be addressed at this training.

Before addressing the specific recommendations in the report, we would like to offer a few general comments about the overall content of the report. First, it is important to be mindful that the CCDF is a block grant program. Thus, grantees have tremendous flexibility in program design and implementation. Furthermore, unlike most ACF competitive funding grant programs, there is no statutory mandate to conduct on-site monitoring visits to CCDF programs, nor is there a specific monitoring instrument for this purpose. While Regional Office staff across nine HHS regions communicate frequently with tribal CCDF grantees, few tribal programs are visited on-site due to a lack of ACF travel funds. However, Regional Office staff track grantee progress and accomplishments through their review and approval of the CCDF plan preprint, plan amendments, the ACF-700 data reporting form and the SF-269 expenditure form.

We have some concerns that the draft report addresses only a few CCDF-funded quality activities (i.e., resource and referral), but does not address larger "quality of care" issues. In addition, while a section of the draft report addresses Head Start/Child Care collaborations, there is little

discussion of collaboration or coordination with other ACF programs (e.g., Temporary Assistance for Needy Families, Native Employment Works, Child Support Enforcement and Child Welfare Services). We feel that a statement addressing the quality of child care and linkages with other ACF programs would enhance the overall report. Although tribal health and safety standards were not a primary focus of the study, it would also enhance the report to note some of the findings around this important issue (i.e., Tribal CCDF programs that are exceeding state requirements).

The following comments address the draft report recommendations:

OIG Recommendation: Tribal and State Coordination

To improve Indian Families' access to child care, we recommend that ACF actively encourage and facilitate the development of Tribe-State reciprocal licensing agreements.

To improve Indian Families' access to child care, increase affordability and expand service options, we further recommend that ACF encourage States and Tribes to:

- Share information about their child care programs' eligibility criteria, provider qualifications and co-payments.
- Work together to create explicit policies and procedures for coordinating their child care programs. These procedures should address information sharing and referral procedures.
- Participate in Tribal/State child care workgroups.
- Agree to outstation State child care staff on Tribal lands.

We recommend that ACF encourage Tribes to refer their families to the State when appropriate.

To reduce the risk of duplicate payments, we recommend that ACF encourage Tribes and States to:

- Develop shared automated systems or regularly exchange information on families using CCDF subsidies.
- Establish single points of enrollment for Tribal families.

ACF Response:

We agree that it benefits States and Tribes to work closely together to provide services to eligible Indian children. Following the passage of the welfare reform law (P.L. 104-193), ACF published a Program Interpretation Question (PIQ) which addresses the dual eligibility of Indian children under the amended Child Care and Development Block Grant (CCDBG) Act. The PIQ encourages States and Tribes to work closely together in coordinating child care services to ensure the availability of adequate child care for eligible Indian children. The Bureau has and will continue to sponsor workshops around State/Tribal collaboration at our annual American Indian and Alaska Native Child Care Conference, State Child Care Administrators' Conference, and ACF

Regional Office events. Further, the Bureau will continue to bring State and Tribal Issues Work Groups together to strengthen collaboration.

OIG Recommendation: Child Care and Head Start

The ACF has an initiative designed to look at Head Start and CCDF coordination. We support the efforts of this workgroup and recommend that ACF:

- Hold regional meetings that would enable Tribal Head Start and CCDF personnel to discuss common ground, differences and ways to overcome barriers to coordination.
- Compile and disseminate information about Tribal best practices and model Head Start and child care collaborative initiatives.

ACF Response:

The Child Care Bureau and the Head Start Bureau are continuing to provide direction and leadership to tribal child care programs on the issue of collaboration. We intend to highlight model collaborations in future issues of the Tribal Child Care Bulletin, a biannual newsletter. Each year, presentations are made on collaboration efforts at the annual American Indian and Alaska Native Child Care Conference, as well as at Regional Office meetings.

OIG Recommendation: Tribal Payment and Reporting Systems

The ACF is also in the process of modifying the ACF-700 and ACF-269 reporting forms to improve the reliability of data. To improve accountability, we recommend that ACF:

- Examine the use of the data elements on the new ACF-700 to determine why the information is being collected, who will use the information and for what purpose.
- Compile, develop and disseminate model time sheets and accounting practices.
- Require Tribes reporting under Public Law 102-477 to certify that their CCDF grants were used for appropriate CCDF-related activities.
- Set aside funds for Tribal management information systems.

ACF Response:

We agree that the program data collected on the ACF-700 reporting form need to be examined. We will be consulting with members of the Child Care Bureau Tribal Work Group regarding the types of data that are meaningful for tribal programs in their program planning needs. Yet, we must also meet ACF's need to have basic data on the numbers of children and families served, similar to State collected data, to ensure that ACF can make useful comparisons and conduct meaningful analysis across all CCDF programs.

To ensure financial integrity for Tribes consolidating CCDF funds through a P.L. 102-477 plan, we have requested that the Bureau of Indian Affairs (BIA) include as an attachment to its

modified SF-269 expenditure report, the following statement. "We certify that CCDF funds under an approved P.L. 102-477 plan will be used for appropriate CCDF-related activities." The BIA is currently working with the Office of Management and Budget to revise and renew this expenditure form.

While Tribes can use their grant funds to purchase automated systems, the CCDBG Act does not authorize ACF to set aside program funds for this purpose. However, the Child Care Bureau is using its technical assistance resources for help in developing systems and reporting. The TriTAC is consulting with the Child Care Bureau's Tribal Work Group about the development of a software package to assist tribal CCDF grantees with program and fiscal data collection.

With this group, we are also discussing the types of materials which would be useful in a manual for new tribal CCDF administrators (i.e, sample time sheets, CCDF regulations and reporting forms). This effort is an extension of the new administrators training offered annually at the American Indian and Alaska Native Child Care Conference, which addresses many data and fiscal reporting requirements.

OIG Recommendation: Technical Assistance

To improve the quality of the assistance Tribes receive, we recommend that ACF:

- Ensure that the technical assistance contractor is in close communication with ACF's regional office staff.
- Encourage the technical assistance contractor to hold individual onsite meetings with Tribal CCDF staff whenever possible.
- Establish precedent files containing questions Tribes have asked and the responses ACF and the technical assistance contractor have provided.

ACF Response:

It is critical that the Child Care Bureau, Regional Office staff and the technical assistance contractor (TriTAC) work together to ensure program consistency. In this regard, through regular conference calls, the Child Care Bureau is working in partnership with ACF Regional Offices and TriTAC in the development of its tribal technical assistance activities. The TriTAC project also attends and makes presentations at a number of the ACF Regional office conferences. Through these functions, the project director has established and maintains positive and productive working relationships with Regional Office staff.

Over the three year contract period, TriTAC will be providing technical assistance to tribal grantees primarily through cluster trainings at several locations throughout the country. Individual on-site meetings will be held, when feasible. While we fully agree with the draft OIG report recommendation that individual meetings with tribal CCDF staff are most effective, we believe that the contractor must be prudent in allocating funds for specific on-site purposes. The Child Care Bureau, ACF Regional Offices, and TriTAC are working together to develop a

judicious process to assess individual on-site technical assistance requests.

Technical Comments

Page 2, second full paragraph. The Background section of the report states that 63.75 percent of the total CCDF per child amount must be spent on direct child care activities during an interim period "until new regulations are published." This statement is no longer correct since new regulations were published on July 24, 1998. These rules amend the 1992 CCDBG rules to follow the amendments to the CCDBG Act of 1990 that were made by P.L. 104-193.

Page 2, last paragraph. An incorrect reference is made to P.L. 102-477. The correct name of this law is the "Indian Employment, Training and Related Services Demonstration Act of 1992."

Page 4, last paragraph, fifth sentence. Under the discussion about grantee flexibility, the draft report states that all Tribes are required to maintain their service level from the previous year. This is not correct. Although we encourage tribal grantees to maintain or exceed their level of service from the preceding year, the statutory language provides that this requirement only applies to those Tribes that submit applications for construction or major renovation of child care facilities.

Page 11, first paragraph. Under the section "Child Care Plans, Payment Systems and Reporting Are Often Flawed," it is incorrect to state that "Tribes must file separate applications for Mandatory and Discretionary Funds." Tribes only have to file one application.

The draft report refers to the "ACF-269" as the form which collects expenditure information. The correct citation for this form is Standard Form 269 (SF-269).